

Important Notice from City of Wilmington About Your Prescription Drug Plan & Medicare - Creditable Status (PPO1, PPO2, EPO & Special Medicfill)

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with The City of Wilmington and about your options under Medicare prescription drug coverage. This information can help you decide whether or not you want to keep your current coverage or join a Medicare drug plan. If you are considering joining a Medicare drug plan, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the various drug plans of private insurance companies offering Medicare Part D prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

Note that your City of Wilmington Medical Plan covers the equivalent of Medicare Part B-type deductibles and co-pays, plus drug coverage, all subject to co-pays and deductibles in your particular City Plan. In order for you to drop your drug plan with the City you would need to drop your entire City Plan, and obtain Medicare Supplement Insurance (subject to health underwriting if not in the mandated period), and obtain a Medicare Part D Drug Plan. You should price each of those things, make sure you can obtain the other coverages with your health condition, and compare to your City Plan before deciding to change medical plans.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

- 1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you obtain Medicare Part D Prescription Drug Insurance coverage, or a Medicare Advantage Plan-Part C (like an HMO or PPO) that offers prescription drug coverage-these are both considered Medicare drug plans. All Medicare drug plans provide at least the standard/minimum level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.**
- 2. The City of Wilmington has determined that the prescription drug coverage offered by the Special Medicfill Plan that you have is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays, and is therefore considered by Medicare to be what is known as "Creditable Coverage". Because your existing coverage is Creditable Coverage, you can keep**

this coverage now and not pay a premium plus a penalty if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can enroll in a Medicare drug plan when you first become eligible for Medicare, and each year from October 15th through December 7.

However, if you lose your current creditable prescription drug coverage, through no fault of your own (e.g. leave employment, or employer plan canceled or becomes non-creditable), you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current City of Wilmington coverage will not be affected, unless you decide to cancel the entire City Plan as discussed above, since the health and drug benefits are combined under one premium and cannot be separately enrolled in.

The City of Wilmington Prescription Drug Benefits

For You and Your Dependents

This plan provides prescription drug benefits for prescription drugs and related supplies provided by Participating Highmark Delaware Pharmacies. To receive prescription drug benefits, you and your dependents may be required to pay a portion of the covered expenses for prescription drugs and related supplies for each 30-day supply at a retail pharmacy or each 90-day supply at a mail order pharmacy. This portion is the copayment.

Copayments

Copayments are expenses to be paid by you and/or your dependent(s) for covered prescription drugs and related supplies. Copayments may vary based on the prescription drug being dispensed.

If you do decide to join a Medicare drug plan and drop your current City of Wilmington coverage, be aware that you and your dependents will not be able to get this coverage back.

When Will You Pay A Premium plus a Penalty To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with The City of Wilmington you must join a Medicare drug plan within 63 continuous days after your current coverage ends; otherwise, you will pay a premium plus a penalty to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium (\$35.63 for 2017) per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium plus penalty as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the next October to join.

For More Information About This Notice or Your Current Prescription Drug Coverage...

Contact the person listed below for further information. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through The City of Wilmington changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help; you may also call the Delaware Insurance Department at 800-282-8611 (toll free in DE) or 302-674-7310 and ask for their Medicare Supplement Shoppers Guide 2015 or other information.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether you have maintained creditable coverage and, therefore, whether or not you are required to pay a premium plus penalty).

Date:	November 29, 2018
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